

### REMARKS

In the Office Action, the Examiner noted that claims 15-55 are pending in the application, and that claims 15-55 are rejected.

By this Amendment, claims 15, 28, 41, 42, 51 and 55 have been amended, and no claims have been added or cancelled. Therefore, claims 15-55 are pending in the application. The amendments to the claims are supported by the specification and figures. Accordingly, no new matter is believed to have been introduced in the present application.

The Examiner's rejections are traversed below.

#### **Rejection Under 35 U.S.C. Section 101**

Claims 15-55 stand rejected under 35 U.S.C. Section 101 as being directed to non-statutory subject matter. Applicant respectfully traverses this rejection.

The courts have unanimously held that exceptions to statutory subject matter are to be narrowly construed. The Committee Reports accompanying the 1952 Act inform us that Congress intended the Patent Act to "include anything under the sun that is made by man."<sup>1</sup> The Supreme Court of the United States has additionally cautioned that courts "should not read into the patent laws limitations and conditions which the legislature has not expressed."<sup>2</sup> The Supreme Court further reasoned that "[i]n choosing such expansive

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<sup>1</sup> S.Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952).

<sup>2</sup> *Diamond v. Chakrabarty*, 447 U.S. 303, 308 (1980) (quoting *United States v. Dublilier Condenser Corp.*, 289 U.S. 178, 199 (1933)).

terms as 'manufacture' and 'composition of matter,' modified by the comprehensive 'any,' Congress plainly contemplated that the patent laws would be given wide scope."<sup>3</sup> Therefore, all doubt with respect to statutory subject matter should be resolved in Applicant's favor.

The claims of the present invention are directed to a computer assisted method that implements a specific physical process that generates physical attribute data, providing a person who wants to evaluate an intellectual property portfolio with valuable information in assisting in that determination, with the exception of claim 41 that recites the "intellectual property worth indicator indicating the worth of the intellectual property portfolio" which the Board has indicated is statutory subject matter, and described below. Accordingly, Applicant submits that the above claims do in fact recite statutory subject matter.

The Patent Office Board has confirmed that the present claims recite statutory subject matter. As stated in Ex parte Donner, Appeal No. 96-2552 for parent application 08/161,816 on page 9:

Thus, a "process" no longer requires a physical transformation on something to a different state or thing: transformation of data is sufficient if it produces "a useful, concrete and tangible result." This reasoning appears intended to be broadly construed. The claimed results of "determining the estimated value of the intellectual property portfolio" . . . and "indicating the estimated value of the intellectual property portfolio" . . . all seem to be a "useful, concrete and tangible result" and, hence, a practical application which renders the claimed subject matter statutory.

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<sup>3</sup> Id. at 308.

Accordingly, for all the above reasons, Applicant respectfully submits that the above independent claims 1, 26 and 27 recite statutory subject matter. Withdrawal of the above rejection is respectfully requested.

### **Rejection Under 35 U.S.C. Section 112**

Claims 15-55 stand rejected under 35 U.S.C. Section 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim, the subject matter that applicant regards as the invention. Applicant respectfully traverses this rejection.

The Examiner states that it is unclear which steps of the claimed invention a computer is performing. Applicant respectfully disagrees that this is a legitimate basis for a rejection based on indefiniteness. Clearly, the Examiner has admitted that the claimed invention is clear such that the computer is involved in the claimed invention.

The Manual of Patent Examining Procedure (MPEP) clearly permits claims to be drafted in the format of the currently pending claims. For example, the MPEP states at § 2173.02 (8th ed. Rev. 1, Feb. 2003):

The examiner's focus during examination of claims for compliance with the requirement for definiteness of 35 U.S.C. 112, second paragraph is whether the claim meets the threshold requirements of clarity and precision, not whether more suitable language or modes of expression are available. When the examiner is satisfied that patentable subject matter is disclosed, and it is apparent to the examiner that the claims are directed to such patentable subject matter, he or she should allow claims which define the patentable subject matter with a reasonable degree of particularity and distinctness. **Some latitude in the manner of expression and the aptness of terms should be permitted even though the claim language is not as precise as the examiner might desire.** Examiners are encouraged to suggest claim language to applicants to improve the clarity or precision of the language used, **but should not reject claims or insist on their**

own preferences if other modes of expression selected by applicants satisfy the statutory requirement.

Similarly, the MPEP states at § 2173.02 (8th ed. Rev. 1, Feb. 2003).

The test for definiteness under 35 U.S.C. 112, second paragraph is whether "those skilled in the art would understand what is claimed when the claim is read in light of the specification." *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986). . . . **If applicant does not accept the examiner's suggestion, the examiner should not pursue the issue.**

As stated by the Court of Customs and Patent Appeals:

By statute, 35 U.S.C. 112, Congress has placed **no limitations** on how an applicant claims his invention, so long as the specification concludes with claims which particularly point out and distinctly claim that invention.

*In re Pilkington*, 162 USPQ 145, 148 (C.C.P.A. 1969) (quoting *In re Steppan*, 156 USPQ 143, 148 (C.C.P.A. 1968)). Similarly, the Board of Patent Appeals and Interferences has stated:

In our judgment, a patent applicant is entitled to a reasonable degree of latitude in complying with the second paragraph of 35 U.S.C. § 112 and the examiner may not dictate the literal terms of the claims . . . . Stated another way, a patent applicant must comply with 35 U.S.C. § 112, second paragraph, but just how the applicant does so, within reason, is within applicant's discretion.

*In re Tanksley*, 37 USPQ 2d 1382, 1386 (B.P.A.I. 1994).

The Board has also stated that, "It is well established that the invention claimed need not be described *ipsis verbis* in order to satisfy the disclosure requirement of §112." *Ex parte Holt*, 19 USPQ 2d 1211, 1213 (B.P.A.I. 1991). The CCPA has stated the following:

The absence of the limitation has a precise meaning. . . . This principle is the very basis of this court's consistent refusal to read limitations of the specification into the claims. . . . In our recent decision in *In re Wakefield*, . . . we considered an indefiniteness rejection involving the absence of a limitation. We reversed the rejection, stating . . . : "The scope of the claim is still definite, however, because each recited limitation is definite."

*In re Fisher*, 166 USPQ 18, 23 (C.C.P.A. 1970).

In addition, Applicant would like to emphasize that the Examiner should not attempt to force the Applicant to redraft claims. As stated by the CCPA: “An applicant is entitled to claims as broad as the prior art and his disclosure will allow.” *In re Rasmussen*, 211 USPQ 323, 326 (C.C.P.A. 1981).

Accordingly, Applicant respectfully submits that claims 15-55 satisfy the requirements under 35 U.S.C. Section 112, second paragraph. Withdrawal of this rejection is respectfully requested.

### **Rejection Under 35 U.S.C. Section 103**

Claims 15-55 stand rejected under 35 U.S.C. Section 103 as being unpatentable over Hough (U.S. 5,414,621). Applicant respectfully traverses these rejections.

Applicant has addressed the present rejections along the following lines:

- I. The Examiner Has Failed to Show Any Reasonable Expectation of Success
- II. The Examiner Must Provide Patentable Weight to All Claim Limitations
- III. Prior Art Teaches Away from Examiner’s Proposed Combination
- IV. Invention Still Patentable Over Examiner’s Proposed Combination

#### **I. The Examiner has Failed to Show Any Reasonable Expectation of Success**

Without conceding that Hough. discloses the combination of features in the presently claimed invention, or any of the claimed features for that matter, the Examiner’s statement that Hough discloses “objectively determinable values forming a baseline,” **is incorrect**. **Nowhere** in Hough is there mentioned the utilization of the

objectively determinable values to form a baseline as part of the evaluation process.  
(Column 4, lines 7-15; and line 57 - Column 5, line 11).

In addition, the Examiner's statement that Hough shows "deriving first information representing the second objectively determinable characteristics of the intellectual property" **is also incorrect**. That is, the Examiner has not provided any citation to Hough, and Hough merely discloses **basic market value characteristics** according to **standard accounting techniques** as described below in detail. (Column 8, lines 34-63; Column 7, lines 43-60).

In addition, the Examiner's statement that Hough discloses the use of statistical comparison techniques is also traversed. Specifically, Hough merely discloses an assessment routine which does not compare properties, **but only determines an assessed value of a single property**. (Column 8, lines 34-63; Column 7, lines 43-60). Without conceding that the assessment routine can even be used in the present invention, this aspect of Hough does not in fact disclose what the Examiner alleges.

Applicant also disagrees with the Examiner that the only difference between Hough and the present invention is the use of data. As described below, however, even if the only difference was the type of data, this application is not at all shown or suggested by the prior art, and must be provided patentable weight. Therefore, even if the Examiner is correct, the claimed invention patentably distinguishes over Hough.

Applicant also disagrees with the Examiner that the “kind of data” does not affect the functioning of the system. On the contrary, it is the specific data that provides the estimated intellectual property value and/or worth indicator of the present invention.

Applicant also disagrees that having Hough would motivate one of ordinary skill to other properties for valuation. On the contrary, the Hough system would not at all work in an intellectual property valuation system. Further, Hough is not at all analogous to an intellectual property audit system. Accordingly, for these reasons, Applicant respectfully requests withdrawal of the present rejection.

In addition, Applicant disagrees with the Examiner’s statement that determining an estimated value of intellectual property “would have been sought after” from Hough. Actually, Hough makes no mention of intellectual property and would not at all work in the present invention. Withdrawal of the rejection is also respectfully requested for these reasons as well.

Applicant also disagrees with the Examiner’s statement that the motivation would have been to obtain data to make a better assessment of estimating the value. There is no indication, except the description in the present application, that this type of data can be used to obtain a better valuation. The Examiner is clearly using the present application and claims as a template and hindsight to try to alter Hough to even remotely resemble the presently claimed invention.

Regarding the Examiner’s statement that Hough considers attributes of real property, Applicant does not believe this is at all relevant to the presently claimed

invention. As described below in detail, the Hough system merely values real property using standard market accounting techniques. The present invention does more than implement current accounting techniques, as described herein.

Applicant also disagrees with the Examiner that related information would have been sought in an intellectual property valuation. What related information?

With regard to the Examiner's statement that it would have been obvious from Hough to use frequency of citation information, again Applicant does not agree that Hough can be used in this manner to support a rejection based on "blind motivation" and/or "blind modification" of Hough.

With regard to the Examiner's statement that Hough uses weighing techniques for different variables, Applicant disagrees. The Examiner has failed to cite any portion of Hough that recites these features.

With regard to the Examiner's statement that Hough performs the valuation independent of accounting techniques, Applicant disagrees because, as described below, Hough actually uses standard accounting techniques that are used for real and tangible property. It is these accounting techniques that the present invention may leverage and/or employ as just one optional component in the intellectual property valuation of the present invention.

Applicant also disagrees that curve fitting techniques are well known with respect to the claimed combination of an intellectual property valuation system and/or method.



Applicant disagrees and requests the Examiner to provide a prior art reference describing this well known feature in the context of intellectual property valuations or an affidavit under 37 C.F.R. Section 1.104(d)(2) providing details of why it would have been obvious. In the absence of either, Applicant requests withdrawal of this rejection.

With respect to claims 25, 38, 52, Applicant submits that the Examiner has not provided any basis for this rejection. Specifically, mere reference to figures 12 and 15-18 of Hough (i.e., “note figures 12 and 15-18”) do not inform the Applicant of anything. Applicant requests the Examiner to withdraw the rejection or provide detailed reasoning relating to this rejection of these claims.

With respect to claims 26-27, 39-40 and 53-54, Applicant submits that the Examiner has not provided any basis for this rejection. Specifically, mere reference to columns 1-2 and column 4 of Hough (i.e. “note column 1 . . . . of Hough”) do not inform the Applicant of anything. Applicant requests the Examiner to withdraw the rejection or provide detailed reasoning relating to this rejection of these claims.

Overall, the Examiner admits that Hough is limited to a real property system and provides no information or prior art basis for concluding any applicability of Hough to the present invention. Besides impermissible hindsight and what Applicant believes is a misinterpretation and stretching of Hough based on reasoning that cannot work in the present invention, the Examiner also appears to be simply modifying the prior art in any manner to arrive at the present invention, akin to the obvious to try standard that has been rejected by the courts. For example, the CCPA, precedent for the Patent Office, has held in *In re Lindell*, 155 USPQ 521, 523 (C.C.P.A. 1967):

Accordingly, we have criticized the “obvious to try” test on several recent occasions. . . .

Furthermore, application of the “obvious to try” test would often deny patent protection to inventions growing out of well-planned research which is, of course, guided into those areas in which success is deemed most likely. These are, perhaps, the obvious areas to try. But resulting inventions are not necessarily obvious. Serendipity is not a prerequisite to patentability. Our view is that “obvious to try” is not a sufficiently discriminatory test.

In addition, the Examiner has failed to provide any basis for which the modifications of Hough could even work with even a minimal amount of expectation of success. As stated by the CCPA in *In re Rinehart*, 189 USPQ 143, 148 (C.C.P.A. 1976):

The view that success would have been “inherent” cannot, in this case, substitute for a showing of reasonable expectation of success.

Accordingly, for these reasons as well, Applicant respectfully requests withdrawal of this rejection.

## II. All Claim Limitations Must Be Provided Patentable Weight

The Examiner again maintains that the claimed features of the present invention relating to “intellectual property” need not be provided any weight. Instead, the Examiner respts to a real property estimator that cannot be used in the present invention, and if so, would render the present invention inoperable.

Applicant respectfully disagrees. The Manual of Patent Examining Procedure (MPEP) specifically states at Section 2173.05(g), copy enclosed, the following:

A functional limitation is an attempt to define something by what it does, rather than by what it is (e.g., as evidenced by its specific structure or specific ingredients). There is nothing inherently wrong with defining some part of an invention in functional terms. . . .

A functional limitation must be evaluated and considered, like any other limitation of the claim, for what it conveys to a person of ordinary skill in the pertinent art in the context in which it is used. A functional limitation is often in used in association with an element, ingredient, or step of a process to define a particular capability or purpose that is served by the recited element, ingredient or step.

In addition, the Federal Circuit has confirmed that a **data structure** was statutory subject matter and **provided the data structure patentable weight** over the prior art. The data structure in *In re Lowry*<sup>4</sup> involved the storage, use, and management of information. The invention provided an efficient, flexible method of organizing stored data in a computer, with a data structure accessible by many different application programs. The data structure was stored in memory and represented complex information in terms of attributes and relationships between attributes.

Claim 1, which was representative of the data structure, recited as follows:

A memory for storing data for access by an application program being executed on a data processing system, comprising:

a data structure stored in said memory, said data structure including information resident in a database used by said application program and including:

a plurality of attribute data objects stored in said memory, each of said attribute data objects containing different information from said database;

a single holder attribute data object for each of said attribute data objects, . . . each of said attribute data objects having a being-held relationship with only a single other attribute data object, thereby establishing a hierarchy of said plurality of attribute data objects;

a referent attribute data object for at least one of said attribute data objects, said referent attribute data object being nonhierarchically related to a holder attribute data object for the same at least one of said attribute data objects . . . ; and

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<sup>4</sup>*In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

an apex data object stored in said memory and having no being-held relationship with any of said attribute data objects. . . .<sup>5</sup>

The Patent Office rejected the claims as obvious in view of the prior art. In formulating the rejection, the Patent Office did not find a sufficient functional relationship between the data structure and the memory to afford patentable weight to the data structure itself.<sup>6</sup> Rather, the Patent Office considered the invention to be merely a memory storing information and did not provide the data any patentable weight.

On appeal, the Federal Circuit reversed. The Federal Circuit first emphasized the narrow application of the printed matter doctrine, noting that the doctrine typically applies to inventions having novel arrangements of printed lines or characters, useful and intelligible only to the human mind.<sup>7</sup> In this connection, the court stated that “the Board erroneously extended a printed matter rejection under sections 102 and 103 to a new field in this case, which involves information stored in a memory.”<sup>8</sup> In holding that the data structure should be afforded patentable weight, the Federal Circuit stated:

More than a mere abstraction, the data structures are specific electrical or magnetic structural elements in a memory. . . . In short, Lowry’s data structures are physical entities that provide increased efficiency in computer operation. They are not analogous to printed matter. The Board is not at liberty to ignore such limitations.<sup>9</sup>

Thus, *Lowry* held that the data structures are to be provided patentable weight.

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<sup>5</sup>*Id.*, 32 USPQ2d at 1033.

<sup>6</sup>See *supra* §III.B (regarding the functional relationship requirement and inventions related to printed matter).

<sup>7</sup>*In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031, 1034 (citing *In re Bernhart*, 417 F.2d 1395, 1399, 163 USPQ 611, 615 (C.C.P.A. 1969)).

<sup>8</sup>*Id.*

<sup>9</sup>*Id.*, 32 USPQ2d at 1035.

The application of patentable weight to data was further extended by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*<sup>10</sup> The invention was a message record for long-distance telephone calls that was enhanced by adding a primary interexchange carrier (PIC) indicator. The addition of the indicator aided long-distance carriers in providing differential billing treatment for subscribers, depending upon whether a subscriber called someone with the same or a different long-distance carrier.

The Federal Circuit focused on whether a mathematical algorithm is statutory subject matter, writing: “A mathematical formula alone, sometimes referred to as a mathematical algorithm, viewed in the abstract, is considered unpatentable subject matter.”<sup>11</sup> The Federal Circuit noted that courts have used the terms “mathematical algorithm,” “mathematical formula,” and “mathematical equation” to describe types of nonstatutory mathematical subject matter without explaining whether the terms are interchangeable or different. Even assuming the words connote the same concept, the court reasoned, there is considerable question as to exactly what the concept encompasses.<sup>12</sup>

The Federal Circuit commented that since the process of manipulation of numbers is a fundamental part of computer technology, the rules that govern the patentability of such technology should be reexamined. The court also noted that “the sea-changes in both law and technology stand as a testament to the ability of law to adapt to new and innovative concepts, while remaining true to basic principles.”<sup>13</sup>

The Federal Circuit specifically emphasized the narrow application of the mathematical algorithm rejections to “abstract” mathematical algorithms having no

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<sup>10</sup>*AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447, 1450 (Fed. Cir.), *cert. denied*. 528 U.S. 946 (1999).

<sup>11</sup>*Id.*

<sup>12</sup>*Id.*

<sup>13</sup>*Id.*

practical value: “Because Section 101 includes processes as a category of patentable subject matter, the judicially-defined proscription against patenting of a “mathematical algorithm,” to the extent such a proscription still exists, is *narrowly limited* to mathematical algorithms in the *abstract*.”<sup>14</sup>

The Federal Circuit rejected the notion that the method claims should be treated differently than the apparatus claims in *State Street Bank*.<sup>15</sup> Whether it was stated implicitly or explicitly, the court considered the scope of Section 101 to be the same regardless of the form, machine, or process in which a particular claim was drafted.<sup>16</sup> Thus, the court stated, “we are comfortable in applying our reasoning in *Alappat* and *State Street* to the method claims at issue in this case.”<sup>17</sup>

The Federal Circuit then noted that AT&T’s claimed process employed subscribers’ and call recipients’ **PICs as data**, applied Boolean algebra to those data to determine the value of the PIC indicator, and applied that value through switching and recording mechanisms to create a signal useful for billing purposes. Referring to *State Street*, the Federal Circuit commented, “[W]e held that the processing system there was patentable subject matter because the system takes data representing discrete dollar amounts through a series of mathematical calculations to determine a final share price—a useful, concrete, and tangible result.”<sup>18</sup>

The Federal Circuit emphasized that the written description made it clear that AT&T was only claiming a process that used the Boolean principle in order to determine the value of the PIC indicator. The PIC indicator represented information about the call

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<sup>14</sup>*Id.* (emphasis added).

<sup>15</sup>*State St. Bank & Trust Co. v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 47 USPQ2d 1596 (Fed. Cir. 1998), *cert. denied*, 525 U.S. 1093 (1999).

<sup>16</sup>*AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 50 USPQ2d 1447, 1451 (Fed. Cir.), *cert. denied*, 528 U.S. 946 (1999) (citing *In re Alappat*, 33 F.3d 1526, 1581, 31 USPQ2d 1545, 1589 (Fed. Cir. 1994) (en banc) (Rader, J., concurring)).

<sup>17</sup>*Id.*

recipient's PIC, a useful, nonabstract result that facilitates differential billing of long-distance calls made by an interexchange carrier's subscriber. According to the Federal Circuit, "[b]ecause the claimed process applies the Boolean principle to produce a useful, concrete, tangible result without pre-empting other uses of the mathematical principle, on its face the claimed process comfortably falls within the scope of 101."<sup>19</sup>

The Federal Circuit noted that the inquiry as to whether an invention including a mathematical algorithm is statutory subject matter focuses on whether the mathematical algorithm is applied in a practical manner to produce a useful result. According to the Federal Circuit, "*mere* laws of nature, natural phenomena, and abstract ideas are not within the categories of inventions or discoveries that may be patented under Section 101."<sup>20</sup> The court concluded:

[I]t is now clear that computer-based programming constitutes patentable subject matter so long as the basic requirements of 101 are met. . . . [T]he focus is understood to be not on whether there is a mathematical algorithm at work, but on whether the algorithm-containing invention, as a whole, produces a tangible, useful, result.<sup>21</sup>

Thus, the *AT&T* decision illustrates that the only inquiry the reviewing court need make is whether the algorithm produces a tangible and useful result. Accordingly, since **the Board has already indicated that the present invention provides such a result** that is statutory subject matter, Applicant respectfully submits that all claims must be provided patentable weight for all limitations recited therein.

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<sup>18</sup>*Id.*, 50 USPQ2d at 1452.

<sup>19</sup>*Id.* (citing *Arrhythmia Research Tech. Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1060, 22 USPQ2d 1033, 1039 (Fed. Cir. 1992) ("That the product is numerical is not a criterion of whether the claim is directed to statutory subject matter.")).

<sup>20</sup>*Id.*, 50 USPQ2d at 1453 (emphasis added).

<sup>21</sup>*Id.*, 50 USPQ2d at 1454.

### III. Prior Art Teaches Away from Examiner's Proposed Combination

Without conceding that Hough. discloses any of the combination of features in the presently claimed invention, the Examiner admits that Hough does not disclose the application of intellectual property. Applicant respectfully submits that there is no suggestion to modify Hough to apply in intellectual property. In fact, the prior art teaches away from modifying standard real estate valuations in the intellectual property field. Specifically, the book Valuation of Intellectual property and Intangible Assets by Gordon Smith and Russel Parr, specifically teaches away from modifying Hough to apply in the field of intellectual property.

Specifically, Gordon and Parr state on pages 140-142, copies enclosed, the following that teaches away from modifying real estate valuation concepts to intellectual property.

On page 141, Gordon and Parr state:

The **income approach is best suited** for the appraisal of the following . . .  
3. Patents, trademarks, and copyrights . . .

On page 140, Gordon and Parr state:

The **three essential ingredients of the income** approach are:

1. The amount of the income stream that can be generated by the property
2. An assumption as to the duration of the income stream
3. An assumption as to the risk associated with the realization of the forecasted income.

As is readily apparent, the income approach is **clearly very different** that the presently claimed invention.



Gordon and Parr go on to emphasize on pages 141-42 that the market approach, as being used by Hough, is most appropriate for real estate, and that the market approach is not appropriate for intellectual property valuations:

The market approach is the most direct and the most easily understood appraisal technique. It measures the present value of future benefits by obtaining a consensus of what others in the marketplace have judged it to be. There are two requisites: (1) an active, public market and (2) an exchange of comparable properties.

The residential real estate market is a good example of where these conditions are usually present. There is usually some activity in this market in a given area, and selling, asking, and exchange prices are public. . . . **[T]his technique** is rarely used for the valuation of intangible assets and intellectual property largely because of the absence of the conditions noted below [active market, public market].

As clearly described in Gordon and Parr, Hough is using the standard market approach to value the real estate. In addition, Gordon and Parr teach that valuation of intellectual property can be done, if at all possible, using the income approach, again which is a separate technique not being used by Hough and which is still very different than the presently claimed invention.

Significantly, Gordon and Parr highlight the differences between real property and intellectual property in their **2005 edition** on pages 142-43, copy enclosed:

**PROPERTY DEFINITION:** One might imagine that the task of defining a property to be appraised would not loom large, compared to other requirements of the process. Most readers may think of property definition as being the same as a physical description. To be sure, that is a part of it. In order to express an opinion about the value of a plot of land, one must determine its boundaries and area. We must also know something about its physical character-whether it is flat, hilly, dry or wet, and so forth. . . .

The asset we are really appraising is the right to use the property, not its physical embodiment. We therefore must define not only the physical nature of the property but also the rights that will be the basis of the future economic benefits. There is obviously a **great difference in value** between the full right of ownership to a machine and the right to use the machine for three years in the manufacture of a specific product.

We will be discussing these factors in greater detail when we present the **subject of intellectual property exploitation**.

Accordingly, since the prior art teaches away from the present invention, and since the Examiner has not provided any motivation or suggestions to modify Hough in the area of intellectual property, Applicant respectfully submits that the claimed invention is patentable over Hough. Withdrawal of this rejection is respectfully requested.

#### **IV. Invention Still Patentable Over Examiner's Proposed Combination**

Even if the Examiner's proposed combination is made, Applicant submits that the modified Hough prior art does not render the presently claimed invention obvious. Specifically, the Examiner states that the "only difference between the claimed invention and the teachings of Hough is the type of data being claimed." As explained above, this admission by the Examiner should be sufficient in of itself to render the currently claimed invention patentable. In any event, however, the claims still recite features not shown or suggested by Hough. For example, claim 15 recites the following:

A computer assisted process for determining an estimated value of an intellectual property portfolio, the process comprising the steps of:

(a) storing, by a computer, first objectively determinable characteristics of representative intellectual property portfolios and objectively determinable values corresponding to each of the representative intellectual property portfolios, the first objectively determinable characteristics and the objectively determinable values forming a baseline against which to assess the estimated value of the intellectual property portfolio;

(b) analyzing the intellectual property portfolio to determine second objectively determinable characteristics of the intellectual property portfolio to be estimated;

(c) deriving first information representing the second objectively determinable characteristics of the intellectual property portfolio to be estimated responsive to said analyzing step (b);

(d) retrieving second information representing the first objectively determinable characteristics and the objectively determinable values of the representative intellectual property portfolios; and

(e) comparing the first information received from said deriving step (c) to the second information received from said retrieving step (d) producing an estimated value of the intellectual property portfolio when the first information of the intellectual property portfolio is statistically similar to the second information of one of the representative intellectual property portfolios.

The proposed combination by the Examiner does not at all suggest many of the above features, in combination. Without conceding that Hough shows any of the features and elements of the presently claimed invention, **Hough does not show or suggest**, for example, the claimed feature of “the first objectively determinable characteristics and the objectively determinable values forming a baseline against which to assess the estimated value of the intellectual property portfolio.” In addition, **Hough does not show or suggest** “deriving first information representing the second objectively determinable characteristics of the intellectual property portfolio to be estimated.” There is no disclosure in Hough of deriving information from real estate to be estimate. That is, Hough does not obtain its information from the real estate itself, whereas **in the present invention the information is derived from the intellectual property**.

Further, **Hough does not show or suggest** “comparing the first information received from said deriving step (c) to the second information received from said retrieving step (d) producing an estimated value of the intellectual property portfolio.” There is no disclosure in Hough of comparing information to produce the estimate value. As described above, Hough

merely discloses an assessment routine which does not compare properties, but only determines an assessed value of a single property. (Column 8, lines 34-63; Column 7, lines 43-60). Without conceding that the assessment routine can even be used in the present invention, this aspect of Hough does not in fact disclose what the Examiner alleges.

Accordingly, for these exemplary reasons, as well as the fact that the Examiner has not provided any basis that the combination of limitations recited in the claims is shown or suggested by Hough, Applicant respectfully request that the present rejections be withdrawn.

## **CONCLUSION**

Applicants respectfully submit that, as described above, the cited prior art does not show or suggest the combination of features recited in the claims. Applicants do not concede that the cited prior art shows any of the elements recited in the claims. However, Applicants have provided specific examples of elements in the claims that are clearly not present in the cited prior art.

In addition, each of the combination of limitations recited in the claims includes additional limitations not shown or suggested by the prior art. Therefore, for these reasons as well, Applicants respectfully request withdrawal of the rejection.

Further, there is no motivation shown to combine the prior art cited by the Examiner, and even if these teachings of the prior art are combined, the combination of elements of claims, when each is interpreted as a whole, is not disclosed in the Examiner's proposed combination. As the combination of elements in each of the claims is not disclosed, Applicants respectfully request that the Examiner withdraw the rejections.

Applicants strongly emphasize that one reviewing the prosecution history should not interpret any of the examples Applicants have described herein in connection with distinguishing over the prior art as limiting to those specific features in isolation. Rather, Applicants assert that it is the combination of elements recited in each of the claims, when each claim is interpreted as a whole, which is patentable. Applicants have emphasized certain features in the claims as clearly not present in the cited references, as

discussed above. However, Applicants do not concede that other features in the claims are found in the prior art. Rather, for the sake of simplicity, Applicants are providing examples of why the claims described above are distinguishable over the cited prior art.

Applicants wish to clarify for the record, if necessary, that the claims have been amended to expedite prosecution. Moreover, Applicants reserve the right to pursue the original subject matter recited in the present claims in a continuation application.

Any narrowing amendments made to the claims in the present Amendment are not to be construed as a surrender of any subject matter between the original claims and the present claims; rather merely Applicants' best attempt at providing one or more definitions of what the Applicants believe to be suitable patent protection. In addition, the present claims provide the intended scope of protection that Applicants are seeking for this application. Therefore, no estoppel should be presumed, and Applicants' claims are intended to include a scope of protection under the Doctrine of Equivalents.

Further, Applicants hereby retract any arguments and/or statements made during prosecution that were rejected by the Examiner during prosecution and/or that were unnecessary to obtain allowance, and only maintains the arguments that persuaded the Examiner with respect to the allowability of the patent claims, as one of ordinary skill would understand from a review of the prosecution history. That is, Applicants specifically retract statements that one of ordinary skill would recognize from reading the file history were not necessary, not used and/or were rejected by the Examiner in allowing the patent application.

For all the reasons advanced above, Applicants respectfully submit that the rejections have been overcome and should be withdrawn.

For all the reasons advanced above, Applicants respectfully submit that the Application is in condition for allowance, and that such action is earnestly solicited.

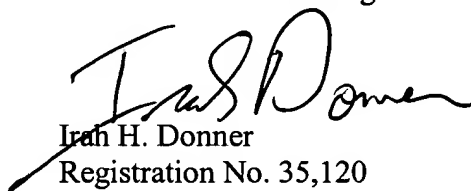
## AUTHORIZATION

The Commissioner is hereby authorized to charge any additional fees, which may be required for this Amendment, or credit any overpayment to Deposit Account No. 08-0219

In the event that an Extension of Time is required, or which may be required in addition to that requested in a petition for an Extension of Time, the Commissioner is requested to grant a petition for that Extension of Time which is required to make this response timely and is hereby authorized to charge any fee for such an Extension of Time or credit any overpayment for an Extension of Time to Deposit Account No. 08-0219.

Respectfully submitted,

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